

THIS ANNOUNCEMENT HAS BEEN DETERMINED TO CONTAIN INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014.

Ediston Property Investment Company plc
(the 'Company')
(LEI: 213800JRL87EGX9TUI28)

PROTECTING INCOME

HALF YEAR RESULTS

Ediston Property Investment Company plc (LSE: EPIC) announces its half-year results for the six months ended 31 March 2020.

Key points for the six months to 31 March 2020

- Completed three lease transactions securing £614,000 of income per annum.
- Started construction of two pre-let drive-thru pods at Coatbridge. On completion they will provide £160,000 of income per annum.
- Obtained planning consent for a retail warehouse development at Haddington, which is 97% pre-let, with construction hoped for later in the year.
- Property portfolio decreased in value, on a like-for like basis, by 8.0%. The valuation is subject to a Material Uncertainty Clause.
- Net asset value decreased 11.5% to 96.23 pence (30 September 2019: 108.72 pence).
- Dividend cover of 115% at the period end.
- The Company is fully compliant with and has significant headroom against all debt covenants.

Post period end update

The property market has been impacted significantly by the COVID-19 health crisis. Activity in the investment market has fallen substantially, providing fewer data points to use to establish asset valuations, rent collection has become harder and the pandemic may accelerate the structural change that has been a feature of the retail market and other sectors for the last few years.

The global health crisis' sudden negative impact on the UK economy has affected the Company and presented it with challenges. Rent collection for the second quarter of 2020 has been more difficult. However, the Company anticipates that it will still collect around 74% of rent due by 23 June, the last day of the rental quarter. Rent collection has been aided by approximately 56% of the Company's retail warehouse income coming from tenants who are defined by the UK Government as providing 'essential services' and permitted to stay open for trade even during the initial lockdown restrictions. Discussions are ongoing with tenants to agree repayment plans for the rent not yet collected.

The asset management activity helped to ensure the monthly dividend was maintained at the annualised rate of 5.75p over the reporting period. However, the dividend for April (payable in May) has been reduced by 30.4%, to 4.0p annualised, in response to the lower rent collection levels during the second quarter.

The Board hopes to maintain this level for at least the three dividends of the current quarter. In light of the exceptional market circumstances, the Board will continue to monitor the Company's cash receipts and net income each month, as well as its ongoing expenses and cash commitments, and consider what is a prudent level for future dividends accordingly.

Key performance indicators

	2016	2017	2018	2019	2020
EPRA NAV per share As at 31 March	107.21p	109.67p	112.48p	112.21p	96.23p
NAV total return For the six months ended 31 March	3.3%	5.0%	3.6%	(0.2)%	(8.9)%
Share price total return For the six months ended 31 March	(2.1)%	7.9%	5.0%	(2.4)%	(44.4)%
Average premium/ (discount) of share price to NAV For the six months ended 31 March	(0.4)%	(1.3)%	(0.6)%	(9.4)%	(22.5)%
EPRA vacancy rate As at 31 March	5.5%	3.9%	3.1%	3.1%	5.7%*

*If vacant space subject to an Agreement for Lease is factored in, the vacancy rate falls to 5.0%.

Chairman's Statement

INTRODUCTION

I doubt there has ever been such a contrast between the market environment at the start of any reporting period and the conditions prevailing at its end.

In January, when I commented on the Company's NAV for the first three months of its financial year, I expressed frustration at further declines in the Company's NAV but also optimism that the Company's retail warehouse portfolio was well positioned for the changes that were happening in the retail sector. This was evidenced by the income from the portfolio being maintained in 2019 and the vacancy rate being just 3.0%.

Little did we know what lay ahead, as during March 2020 the world effectively shut down with many businesses prohibited from operating out of the properties they occupied. This is an unprecedented situation for the real estate sector to manage. It is being severely tested by difficulties in collecting rent and in valuations that are qualified due to the effective suspension of the investment market. It is only just being tested by the impact of a severe economic downturn.

Our immediate efforts are focussed on protecting the Company's cashflow and preventing permanent diminution in value of its asset base.

INVESTMENT AND SHARE PRICE PERFORMANCE

The Company's investment portfolio was valued at £293.8 million at 31 March 2020 (30 September 2019: £319.2 million). This 8.0% reduction in value is almost entirely due to mark downs in the value of the retail warehouse holdings which have not escaped the ongoing difficulties in the wider retail market and on which I have commented previously. This is despite the resilience of the Company's income from these assets due to the low vacancy rate, the impact of asset management initiatives and the high exposure to the convenience subset of this market.

Over the six months to 31 March 2020 the decline in property valuations caused the EPRA NAV per share to fall from 108.72 pence to 96.23 pence, a decrease of 11.5%. Taking into account dividends paid in the period, the total return per share based on NAV movement was -8.9%.

The measures to address COVID-19 have had a profound impact on the Company's share price, as they have had across the UK commercial property sector, but to varying degrees. Over the period the share price total return was -44.4% and the average discount over the period was 22.5%, having increased from an average discount of 9.4% for the same period last year. Since the period end the discount has widened. This dramatic change in fortunes is beyond the Board's control but we are taking all reasonable steps to mitigate the immediate impact and to ensure that the Company is able to 'ride out' what we sincerely hope will be a relatively short-lived storm.

INVESTMENT STRATEGY

COVID-19 is a challenge to every aspect of how the world lives, works and plays. Some themes that were already playing out, for example the decline of the High Street, will be accelerated by further corporate failures and more converts to online shopping. The growth in flexible working is likely to take a significant step forward as we have learned that we can work remotely reasonably efficiently. This is likely to speed up changes to working practices affecting how office space is designed and used and how much office space is really needed. The Logistics sector will have to consider if reliance on just in time deliveries from supply lines starting the other side of the world is the best way forward. The positive for a real estate investor is that how we live, work and play in the future will still require buildings. However, owning the wrong ones will be painful.

We believe that the Company's share price has been under particular pressure due to the Company's retail exposure. However, its retail warehousing strategy is based on benefitting from how retailing is changing and owning the right buildings for the future. Efficient space that works for both in store and 'click and collect', easily accessible with good car parking, let to businesses which have shown themselves in tune with customer needs and at rents at which tenants can operate profitably, is the bedrock of what the Company owns. The Board remains confident that in the post COVID-19 world this strategy will remain correct and we believe that current pricing of these properties does not reflect this either at asset level or in the Company's share price.

PORTFOLIO ACTIVITY

During the period the Company has achieved the following in its property portfolio:

- Secured vacant possession of a unit at Widnes Shopping Park following Arcadia's CVA and simultaneously pre-let half of it to a national retailer.
- In total, completed three retail warehouse lease transactions, securing £614,000 of income per annum.
- Started construction on two pre-let drive-thru pods.
- Received planning consent for its proposed retail warehouse development at Haddington. This is currently on hold due to construction restrictions and to conserve operational cash.

Post period end, the Company has completed a further lease renewal and has received planning consent for another drive-thru development. All these transactions are more fully described in the Investment Manager's review.

INCOME

The Company's contractual 'rent roll' remained resilient to the half year, although over the period it reduced by 2.3% due to the impact of Mothercare going into administration, Carpetright vacating a unit and the Company deciding to exercise its option to break the lease to Arcadia at Widnes.

At the half year, the EPRA vacancy rate across the portfolio was 5.7%. 1.7% of the vacancy was in the office portfolio with the remainder in retail warehousing, across five units out of a total of 82 in the portfolio. The EPRA vacancy rate falls to 5.0% if the pre-let of the 50% of the former Arcadia unit at Widnes is factored in.

In the last 10 days of the reporting period, the UK entered an unprecedented nationwide lockdown as part of the fight to stop the spread of the COVID-19 virus. As a consequence, a number of the Company's retail and leisure tenants were prohibited from operating from their premises and office occupiers were encouraged to implement home working for their employees. Contractually, tenants remain liable to pay their rent but not all have been able to or have chosen not to do so.

The Company is adopting a sympathetic approach to the timing of payments from tenants that are under financial stress to help them through this difficult period. However, unless rent relief has been offset by negotiated value creation, it remains the intention to collect all rent due in the fullness of time.

The UK government has introduced measures which limit the landlord's ability to collect rent arrears. Notwithstanding this, as at 20 May 2020, the Company had collected 73% of the rent due for the second quarter on the Scottish and English quarter days, and from monthly payers on 1 April and 1 May. If tenants who pay their rent monthly continue to do so on 1 June, the anticipated collection rate for the quarter will be 74%. More detailed reporting on the rent collection will be included in forthcoming dividend announcements. We have included a trading update in the last two dividend announcements and in our recent NAV announcement.

CAPITAL STRUCTURE

The Company's total debt is unchanged at £111.1 million at a blended 'all-in' fixed rate of 2.86%. Gearing at 31 March 2020 was 34.9% of total assets. The increase is due to the fall in property values during the period. As at 31 March 2020, the Company had approximately £12.5m of cash for operational purposes, and an additional £10.7m of cash available for investment. The latter amount was included within debtors at the period end.

The Company's debt is provided by Aviva Commercial Finance Limited through two facilities, totalling £111.1 million, of which only £100 million is invested. There are no imminent refinancing events as £56.9 million matures in 2025 and £54.2 million matures in 2027. At the March valuation, the average loan-to-value ('LTV') across both facilities was 34%, based on portfolio asset values. The Company is fully compliant with all debt covenants and has significant headroom against income and asset cover covenants.

With respect to the LTV, the valuation of the property portfolio would need to fall by approximately 32% to breach the debt facilities' 50% loan-to-value covenant. Under the current agreement with Aviva, a small increase in the interest rate of 10bps would be triggered at 40% LTV.

Similarly, the interest cover covenants, averaged across the two facilities, on a historic and projected basis, stand at 577% and 596% respectively, with the covenant threshold 300%. This covenant would only be breached if the Company did not collect approximately 50% of its rent roll over a full 12-month period.

DIVIDEND

The Company has paid monthly dividend payments at the annual rate of 5.75 pence per share since January 2018. Dividend cover for the half year was 115%. Paying a progressive and sustainable monthly dividend, which is fully covered, remains a key objective for the Company and we believe is what our shareholders expect to be delivered, if prudent to do so.

The impact on rent collection of the COVID-19 measures has required the Board to re-evaluate its dividend policy during the period of this crisis. The Board is committed to continuing to pay monthly dividends, subject to the provisos that it must not adversely prejudice the Company's ability to meet its financial commitments and its ability to protect the value of its assets. The Board believes that this is not the case at present but does not consider it is prudent to distribute income for the period of the dividend until it has been received in cash. As a consequence, the Company announced on 6 May a 30.4% reduction in the equivalent annual dividend rate of 5.75 pence per share to 4.0 pence per share for the dividend period of April 2020. The announcement gave further guidance that the Company expects to hold this level for at least the next three months covered by rental income already collected and expected for this period. For the following three months, and possibly longer, the dividend will be governed by the extent to which rental income is collected.

Some tenants are, or will be, on payment plans that extend rent payments and it is the intention to distribute that rent when received, together with the rent received for that period. However, it is unlikely that the full rate of 5.75 pence per share will be 'caught up' in the near term. It is use of cash reserves, as much as revenue or other distributable reserves that informs a prudent dividend level for the near term. In some cases, rent may be foregone for other benefits such as securing longer term occupation but there is a risk that we will see some tenant failures. This would create income shortfalls until the properties are re-let. Once things have stabilised and we are beyond the impact of COVID-19, the Board is committed to paying dividends equivalent to the 'new normal' as soon as it is feasible to do so.

In the interim, the Board is reducing costs, such as marketing spend, to maximise the potential dividends that can be paid. The Board will also consider what other cost measures might be taken if the situation does not improve or there appears to be longer term impairment of rental income. It is simply too early and there are too many uncertainties to make a judgement, with the crisis still less than three months old.

GOVERNANCE

Robert Dick retired from the Board on 31 March having been a director and chair of the audit committee since the launch of the Company in 2014. I would like to thank him for his service and wish him well for the future. Robin Archibald has become the new audit chair. Robin who has been on the Board since inception, and is our Senior Independent Director, is an experienced investment company audit chair. Jamie Skinner will continue as chair of the marketing committee but will also take on responsibility from Robin for chairing the nomination committee and the newly established remuneration committee.

I am delighted to welcome Imogen Moss who joined the Board on 1 April. Imogen has recently stepped down as Global Head of real estate at lawyers Allen & Overy LLP and will bring a legal skill set to the Board, together with considerable real estate knowledge. I would like to thank all my Board colleagues and our service agents, particularly our Investment Manager, for their considerable and exceptional efforts in these highly challenging times.

As announced on 29 January 2020, JTC (UK) Limited (JTC) was appointed as Company Secretary and Administrator effective 29 January 2020, replacing the previous company secretary and administrator, Maitland Administration Services Limited. As a result of this change, the Company also announced a change of registered offices to The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF.

RESILIENCE

The Company has met regularly with the Investment Manager and its other agents to ensure that the Company can continue to fulfil its management of the portfolio and other operational requirements. The Company has done this to date in these very challenging circumstances of lockdown, home working and health and market crises.

The Board is acutely aware of the responsibilities to all the stakeholders in the Company, including its shareholders, providers of debt facilities, agents of the Company and tenants of our portfolio. We will continue to work hard in this respect, as well as communicating what our situation is and how we intend to address issues as they arise, including the exogenous risks that have befallen the world since the turn of 2020.

Please note, there has been an increase in the amount of fraud relating to dealings in securities which the FCA wishes to draw attention to. There is a more extensive warning on this activity later in this report.

OUTLOOK

The real estate market will have to grapple with some extremely testing issues over at least the next two quarters and possibly beyond, including more difficulty in collecting rent, potential tenant failures and a transactional market that will struggle with price discovery to provide meaningful valuation data points. Where it goes from here will depend considerably on whether we have a V, U or L shaped recovery for the economy and the duration of the restrictions on movement and activity and what those restrictions entail.

Whilst the timing of the recovery from the impact of COVID-19 is unknown, the Board is confident that the convenience-led retail warehouse assets the Company owns, together with its other assets, should provide attractive returns to shareholders in the future. The creative and proactive asset management of the Ediston team puts the Company in a strong position to deal with the challenges ahead and to identify the opportunities for value creation within the portfolio to unlock in the future. However, the immediate priorities for the Company are income collection and value protection.

Finally, this interim report and accounts will only be produced in an electronic form. It will be available on the Company's website at www.epic-reit.com. In accordance with Listing Rule 9.6.1, copies of these documents will also be submitted to the UK Listing Authority via the National Storage Mechanism and will be available for viewing shortly at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. This will reduce both cost and the Company's carbon footprint.

William Hill
Chairman
20 May 2020

Investment Manager's Review

INTRODUCTION AND MARKET COMMENTARY

As the Chairman mentioned in his review, the difference in market conditions between the start and end of the period is stark with the last quarter being particularly challenging. At the start of the period the markets were concerned about economic and political uncertainty, driven principally by Brexit and the ongoing negotiations with the EU. The pending UK general election added to the uncertainty. At the end of the period the COVID-19 emergency was unfolding rapidly, and the country had been put in lockdown bringing about an entirely new set of challenges.

For Q4 2019, the investment market was continuing to function, albeit at lower levels of transactional activity. This was in part because of investor caution due to the political situation and as a result of a difference between vendors' pricing expectations and the opportunistic price purchasers were prepared to pay for assets, albeit this gap narrowed towards the end of the year. Despite this standoff, there was an appetite from investors for UK commercial property, especially from overseas.

During the first part of Q1 2020, property investment volumes increased across the UK, spurred on by the decisive general election result in December. The election outcome, coupled with clarity over Brexit, brought confidence back into the market. However, the retail sector remained out of favour with some forced sellers which kept downward pressure on values. That said, there were signs of renewed interest for retail warehouse investments, suggesting that values were beginning to bottom out.

This renewed investment activity was welcomed by the market but was brought to an abrupt halt by the COVID-19 crisis. This was partially because of investor uncertainty but there are substantial practical reasons too. Selling properties in this market is extremely difficult as a result of the restrictions on movement, social distancing and enforced working from home. As a result, the investment market is going to be heavily subdued throughout the period of lockdown and it will be some time before it returns to normal operating conditions.

Throughout the period there has been activity in the occupational market, albeit it has become more challenging to complete deals in the COVID-19 environment. In the period we have been able to capitalise on tenant demand, particularly in the retail warehouse market, by completing a new letting, lease extensions and signing an agreement for lease. The transactions completed by the Company are outlined in the 'Asset Management Activity' section below.

PORTFOLIO COMPOSITION

We can invest in office, retail warehouse, leisure and industrial assets without regard to any benchmark. As at 31 March 2020 we owned 16 assets across the office, retail warehouse and leisure sectors. The portfolio valuation was £293.8m. The allocation is detailed in the table below.

	Office	Retail Warehouse & Supermarket	Leisure
Number of properties	4	10	2
Value	£77.9m	£210.3m	£5.6m
Sector weighted average unexpired lease term	5.4 years	6.2 years	2.5 years
Total contracted rent per annum	£4.5m	£15.7m	£0.65m

SECTOR WEIGHTINGS AS AT 31 MARCH 2020

The Company's largest exposure is to convenience-led retail warehousing assets which constitute 61.6% of the property portfolio. It is important to note that approximately 56% of the income from the retail warehouse portfolio is received from tenants who are considered by the government to provide 'essential services' and are permitted to open for trade even during the initial period of lockdown.

The remainder of the portfolio is made up of office, supermarket and leisure assets, and one development site which is 97% pre-let.

Sector	Exposure (%)
Retail warehouse	61.6
Office	26.6
Supermarket	8.9
Other commercial/ Leisure	1.9
Development	1.0

GEOGRAPHICAL DIVERSIFICATION AS AT 31 MARCH 2020

The portfolio is diversified across the regional markets and has no exposure to central London property.

Sector	Exposure (%)
Wales	30.2
North East	15.8
West Midlands	13.4
North West	12.4
Yorkshire	11.2
Scotland	10.6
East Midlands	4.1
South West	2.3

TOP FIVE TENANTS AS AT 31 MARCH 2020

The top five tenants comprise 31.8% of the Company's rent roll. The remaining 68.2% is made up of tenants who individually do not comprise more than 4.0% of the rent roll.

Tenant	Exposure (%)
B&Q plc*	8.8
Tesco Stores Limited*	7.1
B&M Retail Limited*	5.9
Marks & Spencer plc*	5.0
Ernst & Young LLP	5.0

*Denotes a tenant providing 'essential services' which can stay open for trade during the shutdown.

ASSET MANAGEMENT ACTIVITY

During the period we have continued to complete asset management initiatives in the property portfolio. We have been working with our tenants to ensure the space they occupy is fit for purpose and suits their occupational needs.

As previously reported, Arcadia completed a Company Voluntary Arrangement (CVA) during Q2 2019. At the time Arcadia was our tenant at Widnes and Hull. We initially voted against the CVA proposal, but after further consideration and following some improved terms, we elected to vote in favour. Under the terms of the CVA we were entitled to break the leases and secure vacant possession of each unit.

We considered that the rent set under the CVA for Widnes was below market, so we took the opportunity to exercise the landlord break clause. During the period Arcadia vacated the unit and we now have vacant possession of it. We intend to split the 13,202 sq. ft. unit in two and have exchanged an Agreement for Lease (AFL) with JD Sports who will lease 6,792 sq. ft. In spite of the current environment, we remain confident of identifying another tenant to lease the remaining 6,006 sq. ft. unit.

During the period we completed two lease renewals with DSG Retail Limited, trading as Currys, securing £464,094 of income per annum. At Clwyd Retail Park in Rhyl, Currys signed a five-year lease extension on its 10,020 sq. ft. unit, moving the lease expiry out to 2025. At Plas Coch Retail Park in Wrexham, Currys agreed to restructure its lease on a 22,182 sq. ft. unit which will keep it on the park until at least 2029.

In the period there has been progress with our development programme. In December, planning consent was received for our proposed 48,000 sq. ft. retail warehouse and petrol filling station development at Haddington, East Lothian. The development is 97% pre-let to Aldi, The Food Warehouse, Costa Coffee, Home Bargains and Euro Garages. All would be considered as providing essential services and be allowed to open in the current environment. One unit of 1,500 sq. ft. remains available to let.

Once fully let and constructed, the asset will have a WAULT in excess of 15 years and will generate an annual rent of £875,000. Based on tendered build costs, the project should generate a return on cost of capital employed of around 8.0% per annum. However, as a result of the COVID-19 restrictions we have decided to delay the commencement of the project. We have agreements in place with the tenants which will allow a delay of at least six months before a decision to commence the development needs to be taken. The decision to pause will preserve cash levels in the Company during this challenging period.

In January, construction started on two drive-thru pod units at Coatbridge. The units have been pre-let to Costa Coffee and Burger King. Costa has signed a 15-year lease with a 10-year break option, whilst Burger King has signed a 20-year lease with a 15-year break option. On completion, the units will provide a combined rental income of £160,000 per annum and deliver a return on the additional capital employed of c. 8.0% per annum. In accordance with guidance from the Scottish Government, construction work has stopped during the lockdown and will recommence when it is safe to do so.

Post period end, at Barnsley East Retail Park, Barnsley, we have received planning consent for a Costa Coffee drive-thru unit. Costa has signed an AFL for an 1,800 sq. ft. unit and on completion of the construction works will enter into a 15-year lease (no break). On completion Costa will pay a rent of £72,500 per annum. Finally, at Widnes Shopping Park, Next has extended its occupation on the park by signing a new five-year lease on a unit extending to 10,009 sq. ft.

These transactions prove that there is still tenant demand and it is possible to complete asset management initiatives, even in this period of significant uncertainty. The deals underscore the strength of each location and their ability to attract or retain strong national retail brands.

PORTFOLIO VALUATION

The Company's property portfolio is valued by Knight Frank on a quarterly basis throughout the year. As at 31 March 2020 it was valued at £293.8m, a like-for-like decrease of 8.0% compared to the 30 September 2019 valuation. The continuing negative sentiment towards retail assets was the principal driver of this fall, but in Q1 2020 the decline was exacerbated by the COVID-19 emergency with concerns over rent collection and the economic impact of the crisis. This valuation, in common with other UK commercial property valuations at the same date, was subject to a Material Uncertainty Clause. The crisis has presented valuers with a difficult task in trying to reflect the sudden change in circumstances on property values. The valuation states that at the valuation date the valuer believes it can attach less weight to previous market evidence for comparison purposes, to inform its opinion of value. The full effect of the crisis could take several months, or even longer, to emerge.

RESILIENCE

Since the onset of the health crisis and lockdown provisions being applied, we as Investment Manager, and the other agents to the Company have been tested on the resilience of our operations under these extreme conditions. To date, all the agents to the Company have been able to operate without interruption both for the management of the portfolio and the management of the Company. We have been in close communication with the Board and advisers throughout the period examining operational and structural impacts of the crisis on the Company.

OUTLOOK

We are in uncharted waters, with social, economic and financial consequences that are impossible to predict as no-one can be clear on what lies ahead after the events of these last weeks. The immediate focus for us is rent collection to ensure that we collect as much as we can. It will not be easy, and it is anticipated that similar challenges to those experienced at the March quarter day will be faced at the June quarter day. We will maintain dialogue with our tenants and will provide cashflow assistance to them where appropriate. We will also continue to work closely with all the agents to the Company and the Board to ensure that resilience is maintained.

It is our belief that our convenience led retail warehouse assets, which constitute 61.6% of the portfolio, will prove to be more resilient than other parts of the retail market. We believe that once lockdown restrictions are lifted, but social distancing continues, the attributes of out-of-town retail parks will be important to customers. Their accessibility, ample car parking provision, and the space they provide for queuing (avoiding contact with other shoppers) plus the fact that they are open-air, makes them the logical choice to be reopened first.

In these difficult times, more so than ever, it is important that we continue to intensively manage our assets, to identify and execute initiatives which will support both the income and capital value of our property portfolio. We have a strong team, plus the commitment, resource and expertise to achieve this and are confident of navigating a successful path through the crisis.

Calum Bruce
Investment Manager
20 May 2020

Directors' Responsibilities

STATEMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

The risks, and the way in which they are managed, are described in more detail under the heading 'Principal risks and risk management' within the Strategic Report in the Group's Annual Report and Accounts for the year ended 30 September 2019. The Group's principal risks and uncertainties have changed materially since the date of that report as a direct result of the global health crisis and the attendant economic, social, financial and market crises and are expected to remain heightened for a considerable period, including the rest of the Group's financial year. This is having a significant impact on capital values and income from the portfolio, as well as an impact on the regulatory environment in which the Company operates. The operational risks of the Company have also been exacerbated by the health crisis and resilience is being examined on an ongoing basis but has been sound to date both in the management of the portfolio and of the Company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE INTERIM REPORT

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union and gives a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Chairman's Statement and Investment Manager's Review (together constituting the Interim Management Report) include a fair review of the information required by the Disclosure and Transparency Rules (DTR) 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of consolidated financial statements;
- the Statement of Principal Risks and Uncertainties above is a fair review of the information required by DTR 4.2.7R; and
- the Chairman's Statement and Investment Manager's Review, together with the condensed set of consolidated financial statements, include a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during the period, and any changes in the related party transactions described in the last Annual Report that could do so.

These interim statements are unaudited and have not been subject to review by the audit firm.

On behalf of the Board

William Hill

Chairman

20 May 2020

Condensed Consolidated Statement of Comprehensive Income For the six months ended 31 March 2020

	Notes	Six months ended 31 March 2020 (unaudited)			Six months ended	Year ended
		Revenue £'000	Capital £'000	Total £'000	31 March 2019 (unaudited) Total £'000	30 September 2019 (audited) Total £'000
Revenue						
Rental income		10,328	–	10,328	10,525	20,847
Total revenue		10,328	–	10,328	10,525	20,847
Unrealised loss on revaluation of investment properties	5	–	(27,290)	(27,290)	(7,600)	(15,732)
Loss on sale of investment properties realised	5	–	–	–	–	(94)
Total income		10,328	(27,290)	(16,962)	2,925	5,021
Expenditure						
Investment management fee	2	(999)	–	(999)	(1,134)	(2,239)
Direct property expenses		(270)	–	(270)	(161)	(356)
Other expenses		(495)	–	(495)	(520)	(1,021)
Total expenditure		(1,764)	–	(1,764)	(1,815)	(3,616)
Profit/(Loss) before finance costs and taxation		8,564	(27,290)	(18,726)	1,110	1,405
Net finance costs						
Interest receivable		36	–	36	55	101
Interest payable		(1,630)	–	(1,630)	(1,628)	(3,263)
Profit/(Loss) before taxation		6,970	(27,290)	(20,320)	(463)	(1,757)
Taxation		–	–	–	–	–
Profit/(Loss) and total comprehensive income for the period		6,970	(27,290)	(20,320)	(463)	(1,757)
Basic earnings per share	3	3.30p	(12.91)p	(9.61)p	(0.22)p	(0.83)p

The total column of this statement represents the Condensed Consolidated Statement of Comprehensive Income, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement are derived from continuing operations.

No operations were acquired or discontinued in the period.

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Condensed Consolidated Statement of Financial Position
As at 31 March 2020**

	Notes	As at 31 March 2020 (unaudited) £'000	As at 31 March 2019 (unaudited) £'000	As at 30 September 2019 (audited) £'000
Non-current assets				
Investment properties	5	289,098	324,858	315,143
		289,098	324,858	315,143
Current assets				
Trade and other receivables		15,959	15,592	15,091
Cash and cash equivalents		12,511	11,838	11,976
		28,470	27,430	27,067
Total assets		317,568	352,288	342,210
Non-current liabilities				
Loans	6	(110,029)	(109,863)	(109,946)
		(110,029)	(109,863)	(109,946)
Current liabilities				
Trade and other payables		(4,175)	(5,294)	(2,504)
Total liabilities		(114,204)	(115,157)	(112,450)
Net assets		203,364	237,131	229,760
Equity and reserves				
Called-up equity share capital	7	2,113	2,113	2,113
Share premium		125,559	125,559	125,559
Capital reserve – investments held		(24,664)	10,549	2,626
Capital reserve – investments sold		2,382	2,685	2,382
Special distributable reserve		83,388	83,887	83,639
Revenue reserve		14,586	12,338	13,441
Equity shareholders' funds		203,364	237,131	229,760
Net asset value per ordinary share	8	96.23p	112.21p	108.72p

The condensed financial statements on pages 7 to 15 were approved by the Board of Directors and authorised for issue on 20 May 2020 and were signed on its behalf by:

William Hill
Chairman

Registered number: 09090446

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Condensed Consolidated Statement of Changes in Equity
For the six months ended 31 March 2020 (unaudited)**

	Share capital account £'000	Share premium £'000	Capital reserve – investments held £'000	Capital reserve – investments sold £'000	Special distributable reserve £'000	Revenue reserve £'000	Total equity £'000
As at 30 September 2019	2,113	125,559	2,626	2,382	83,639	13,441	229,760
(Loss)/Profit and total comprehensive income for the period	–	–	(27,290)	–	–	6,970	(20,320)
Transactions with owners recognised in equity:							
Dividends paid	–	–	–	–	–	(6,076)	(6,076)
Transfer from special reserve	–	–	–	–	(251)	251	–
As at 31 March 2020	2,113	125,559	(24,664)	2,382	83,388	14,586	203,364

For the six months ended 31 March 2019 (unaudited)

	Share capital account £'000	Share premium £'000	Capital reserve – investments held £'000	Capital reserve – investments sold £'000	Special distributable reserve £'000	Revenue reserve £'000	Total equity £'000
As at 30 September 2018	2,113	125,559	18,149	2,685	84,158	11,006	243,670
(Loss)/Profit and total comprehensive income for the period	–	–	(7,600)	–	–	7,137	(463)
Transactions with owners recognised in equity:							
Dividends paid	–	–	–	–	–	(6,076)	(6,076)
Transfer from special reserve	–	–	–	–	(271)	271	–
As at 31 March 2019	2,113	125,559	10,549	2,685	83,887	12,338	237,131

For the year ended 30 September 2019 (audited)

	Share capital account £'000	Share premium £'000	Capital reserve – investments held £'000	Capital reserve – investments sold £'000	Special distributable reserve £'000	Revenue reserve £'000	Total equity £'000
As at 30 September 2018	2,113	125,559	18,149	2,685	84,158	11,006	243,670
Loss and total comprehensive income for the year	–	–	(15,732)	(94)	–	14,069	(1,757)
Transfer of prior years' revaluation to realised reserve	–	–	209	(209)	–	–	–
Transactions with owners recognised in equity:							
Dividends paid	–	–	–	–	–	(12,153)	(12,153)
Transfer from special reserve	–	–	–	–	(519)	519	–
As at 30 September 2019	2,113	125,559	2,626	2,382	83,639	13,441	229,760

The accompanying notes are an integral part of these condensed consolidated financial statements.

**Condensed Consolidated Cash Flow Statement
For the six months ended 31 March 2020**

	Six months ended 31 March 2020 (unaudited)£'000	Six months ended 31 March 2019 (unaudited)£'000	Year ended 30 September 2019 (audited)£'000
Cash flows from operating activities			
Loss before tax	(20,320)	(463)	(1,757)
Adjustments for:			
Interest receivable	(36)	(55)	(101)
Interest payable	1,630	1,628	3,263
Unrealised revaluation loss/(gain) on property portfolio	27,290	7,600	15,732
Loss on sale of investment property realised	–	–	94
Operating cash flows before working capital changes	8,564	8,710	17,231
Increase in trade and other receivables	(370)	(1,223)	(731)
Increase/(decrease) in trade and other payables	1,299	2,214	(592)
Net cash inflow from operating activities	9,493	9,701	15,908
Cash flows from investing activities			
Capital expenditure	(1,330)	(2,005)	(3,413)
Sale of investment properties	–	–	2,906
Net cash outflow from investing activities	(1,330)	(2,005)	(507)
Cash flows from financing activities			
Dividends paid	(6,078)	(6,077)	(12,147)
Interest received	36	55	101
Interest paid	(1,586)	(1,571)	(3,114)
Net cash outflow from financing activities	(7,628)	(7,593)	(15,160)
Net increase in cash	535	103	241
Opening cash and cash equivalents	11,976	11,735	11,735
Closing cash and cash equivalents	12,511	11,838	11,976

The accompanying notes are an integral part of these condensed financial statements.

Notes to the Condensed Consolidated Financial Statements

1. INTERIM RESULTS

The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IAS 34 'Interim Financial Reporting' as adopted by the European Union and the accounting policies set out in the statutory accounts of the Group for the year ended 30 September 2019. The condensed consolidated financial statements do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the financial statements of the Group for the year ended 30 September 2019, which were prepared under IFRS as adopted by the European Union. The accounting policies adopted in this report are consistent with those applied in the Group's audited financial statements for the year ended 30 September 2019, apart from the adoption of IFRS 16 "Leases". IFRS 16 specifies how leases are recognised, measured, presented and disclosed. This has not had a material impact on the Group as a lessor and accordingly there have been no restatements to the Group's previously reported financial information as a result of adopting IFRS 16. The accounting policies applied in the preparation of this financial information are expected to be consistently applied in the financial statements for the year to 30 September 2020. Based on the current operations of the Group, no other new or revised accounting standards have been issued that are expected to have a material effect on the Group's financial statements in the future. There have been no significant changes to management judgements and estimates since 30 September 2019. The quarterly external valuation on the portfolio as at 31 March 2020 is subject to a Material Uncertainty Clause.

The condensed consolidated financial statements have been prepared on the going concern basis. In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. Whilst the timing of the recovery from the impact of COVID-19 is unknown, after making enquiries, and bearing in mind the nature of the Group's business and assets, the Directors consider that the Group has adequate resources to continue in operational existence over the medium term. For these reasons, the Board continues to adopt the going concern basis in preparing these financial statements.

2. INVESTMENT MANAGEMENT FEE

	Six months ended 31 March 2020 £'000	Six months ended 31 March 2019 £'000	Year ended 30 September 2019 £'000
Investment management fee	999	1,134	2,239
Total	999	1,134	2,239

Ediston Investment Services Limited has been appointed as the Company's Alternative Investment Manager (AIFM) and Investment Manager, with the property management arrangements of the Group being delegated to Ediston Properties Limited. The Investment Manager is entitled to a fee calculated as 0.95% per annum of the net assets of the Group up to £250 million and 0.75% per annum of the net assets of the Group over £250 million. The management fee on any cash available for investment (being all cash held by the Group except cash required for working capital and capital expenditure) is reduced to 0.475% per annum while such cash remains uninvested.

The Investment Management Agreement may be terminated by either party by giving not less than 12 months' notice. The agreement may be terminated earlier by the Group provided that a payment in lieu of notice, equivalent to the amount the Investment Manager would otherwise have received during the notice period, is made. The Investment Management Agreement may be terminated immediately without compensation if the Investment Manager: is in material breach of the agreement; is guilty of negligence, wilful default or fraud; is the subject of insolvency proceedings; or if there occurs a change of key managers to which the Board has not given its prior consent.

3. EARNINGS PER SHARE

	Six months ended 31 March 2020		Six months ended 31 March 2019		Year ended 30 September 2019	
	£'000	Pence per share	£'000	Pence per share	£'000	Pence per share
Revenue earnings	6,970	3.30	7,137	3.38	14,069	6.66
Capital earnings	(27,290)	(12.91)	(7,600)	(3.60)	(15,826)	(7.49)
Total earnings	(20,320)	(9.61)	(463)	(0.22)	(1,757)	(0.83)
Average number of shares in issue	211,333,737		211,333,737		211,333,737	

Earnings for the period to 31 March 2020 should not be taken as a guide to the results for the year to 30 September 2020.

4. DIVIDENDS

Dividends paid as distributions to equity shareholders during the period were:

	Six months ended 31 March 2020 £'000	Six months ended 31 March 2019 £'000	Year ended 30 September 2019 £'000
In respect of the prior year:			
Twelfth interim dividend	1,013	1,012	1,012
In respect of the current year:			
First interim dividend	1,013	1,012	1,012
Second interim dividend	1,013	1,013	1,013
Third interim dividend	1,013	1,013	1,013
Fourth interim dividend	1,013	1,013	1,013
Fifth interim dividend	1,013	1,013	1,013
Sixth interim dividend	–	–	1,012
Seventh interim dividend	–	–	1,013
Eighth interim dividend	–	–	1,013
Ninth interim dividend	–	–	1,013
Tenth interim dividend	–	–	1,013
Eleventh interim dividend	–	–	1,013
Total	6,078	6,076	12,153

Interim dividends for the year ending 30 September 2020 were paid at the rate of 0.4792 pence per share.

After the period, a sixth interim dividend for the year ending 30 September 2020, of 0.4792 pence per share, was paid on 30 April 2020 to shareholders on the register on 16 April 2020.

A seventh interim dividend for the year ending 30 September 2020, of 0.3333 pence per share, will be paid on 29 May 2020 to shareholders on the register on 15 May 2020. This monthly dividend of 0.3333 pence per share equates to an annualised dividend level of 4.00 pence per share and is a reduction of 30.4% from the previous declared dividend in April 2020 of 0.4792 pence per share. This dividend is fully covered by rental income collected in the second quarter of 2020. The Company expects to be able to pay this rate for at least three months, out of rental income received, having taking expenses and cash commitments into account, and absent of unforeseen circumstances.

In light of the exceptional circumstances affecting global economies and markets, the Board will continue to monitor the Company's cash receipts and net income each month, as well as its ongoing expenses and cash commitments and consider the future payment of monthly dividends accordingly.

Further details on dividends paid, including a split between Property Income Distributions (PID) and Non-PIDs, is contained on page 16.

5. INVESTMENT PROPERTIES

	As at 31 March 2020 £'000	As at 31 March 2019 £'000	As at 30 September 2019 £'000
Opening book cost	312,517	312,676	312,676
Opening unrealised appreciation	2,626	18,149	18,149
Opening fair value	315,143	330,825	330,825
Movement for the period			
Sales			
- proceeds	–	–	(2,906)
- loss on sales	–	–	(303)
Capital expenditure	1,245	1,633	3,050
Movement in book cost	1,245	1,633	(159)
Unrealised gain realised during the year	–	–	209
Unrealised gains on investment properties	–	1,036	1,400
Unrealised losses on investment properties	(27,290)	(8,636)	(17,132)
Movement in fair value	(26,045)	(5,967)	(15,682)
Closing book cost	313,762	314,309	312,517
Closing unrealised (depreciation)/appreciation	(24,664)	10,549	2,626
Closing fair value	289,098	324,858	315,143

5. INVESTMENT PROPERTIES CONTINUED

The fair value of the investment properties reconciled to the appraised value as follows:

	Six months ended 31 March 2020 £'000	Six months ended 31 March 2019 £'000	Year ended 30 September 2019 £'000
Closing fair value	289,098	324,858	315,143
Lease incentives held as debtors	4,702	3,957	4,032
Appraised market value per Knight Frank	293,800	328,815	319,175

Changes in the valuation of investment properties

	Six months ended 31 March 2020 £'000	Six months ended 31 March 2019 £'000	Year ended 30 September 2019 £'000
Loss on sale of investment properties	–	–	(303)
Unrealised loss realised during the year	–	–	209
Loss on sale of investment properties realised*	–	–	(94)
Unrealised gains on investment properties	–	1,036	1,400
Unrealised losses on investment properties	(27,290)	(8,636)	(17,132)
Total loss on revaluation of investment properties	(27,290)	(7,600)	(15,826)

*Represents the difference between the sales process, net of costs, and the property valuation at the end of the prior year.

The loss on revaluation of investment properties reconciles to the movement in appraised market value as follows:

	Six months ended 31 March 2020 £'000	Six months ended 31 March 2019 £'000	Year ended 30 September 2019 £'000
Total loss on revaluation of investment properties	(27,290)	(7,600)	(15,826)
Capital expenditure	1,245	1,633	3,050
Sales - proceeds	–	–	(2,906)
Movement in fair value	(26,045)	(5,967)	(15,682)
Movement in lease incentives held as debtors	670	932	1,007
Movement in appraised market value	(25,375)	(5,035)	(14,675)

At 31 March 2020, the properties were valued at £293,800,000 (31 March 2019: £328,815,000, 30 September 2019: £319,175,000) by Knight Frank LLP (Knight Frank), in their capacity as external valuers. The valuation was undertaken in accordance with the current editions of RICS Valuation – Global Standards, which incorporate the International Valuation Standards, and the RICS UK National Supplement.

Fair value is based on an open market valuation (the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date), provided by Knight Frank on a quarterly basis, using recognised valuation techniques as set out in the accounting policies and Note 9 of the consolidated financial statements of the Group for the year ended 30 September 2019.

As a result of the impact the COVID-19 emergency is having on the economy and all markets, including UK commercial properties, Knight Frank has, in line with the market wide adopted approach, reported their valuations on the basis of reported 'material valuation uncertainty' per VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty and a higher degree of caution is attached to their valuation than would normally be the case.

There were no other significant changes to the valuation process, assumptions or techniques used during the period.

6. LOANS

	As at 31 March 2020 £'000	As at 31 March 2019 £'000	As at 30 September 2019 £'000
Principal amount outstanding	111,076	111,076	111,076
Set-up costs	(1,612)	(1,612)	(1,612)
Amortisation of loan set-up costs	565	399	482
Total	110,029	109,863	109,946

The Group's loans arrangements are with Aviva Commercial Finance Limited.

The Group has loans totalling £56,920,000 which carry a fixed interest rate of 2.99% and mature in May 2025. This rate is fixed for the period of the loan as long as the loan-to-value is maintained below 40%, increasing by ten basis points if the loan-to-value is 40% or higher. These loans are secured over EPIC (No.1) Limited's property portfolio.

The Group also has loans totalling £54,156,000 which carry a fixed interest rate of 2.73% and mature in December 2027. This rate is fixed for the period of the loan as long as the loan-to-value is maintained below 40%, increasing by ten basis points if the loan-to-value is 40% or higher. These loans are secured over EPIC (No.2) Limited's property portfolio.

The Group's blended fixed interest rate at 31 March 2020 was 2.86% (31 March 2019: 2.86%, 30 September 2019: 2.86%).

Under the financial covenants relating to the loans, the Group has to ensure that for each of EPIC (No.1) Limited and EPIC (No.2) Limited:

- the Historic Interest Cover and Projected Interest Cover, each being the passing rental income as a percentage of finance costs and generally calculated over a period of 12 months to/from the calculation date, is at least 300%; and
- the Loan-to-Value Ratio, being the adjusted value of the loan as a percentage of the aggregate market value of the relevant properties, must not exceed 50%.

Breach of the financial covenants, subject to various cure rights, may lead to the loans falling due for repayment earlier than the final maturity dates stated above.

As at 31 March 2020, the average loan-to-value ('LTV') across both facilities was 34%, based on portfolio asset values and in accordance with the loan agreements' covenants. The Company is fully compliant with all debt covenants and has significant headroom against income and asset cover covenants. Similarly, the interest cover covenants, on a historic and projected basis, stand at 630% and 590% respectively. The Group has complied with all the loan covenants during the period.

Under the terms of early repayment relating to the loans, the cost of repaying the loans on 31 March 2020, based on the yield on the Treasury 5% 2025 and Treasury 4.25% 2027 plus a margin of 0.5%, would have been approximately £126,019,000 (31 March 2019: £ 121,928,000 30 September 2019: £122,890,000), including repayment of the principal £111,076,000 (31 March 2019: £111,076,000, 30 September 2019: £111,076,000).

The fair value of the loans based on a marked-to-market basis, being the yield on the relevant Treasury plus the appropriate margin, was £118,841,000 at 31 March 2020 (31 March 2019: £114,075,000, 30 September 2019: £115,445,000). This includes the principal borrowed.

7. CALLED-UP EQUITY SHARE CAPITAL

The Company had 211,333,737 Ordinary Shares of 1 pence par value in issue at 31 March 2020 (31 March 2019: 211,333,737, 30 September 2019: 211,333,737).

During the period to 31 March 2020, the Company did not issue any Ordinary Shares (six months ended 31 March 2019: issued none; year ended 30 September 2019: issued none). The Company did not buyback or resell from treasury any Ordinary Shares during the period or during either comparative period.

The Company did not hold any shares in treasury at 31 March 2020 (31 March 2019: nil, 30 September 2019: nil).

8. NET ASSET VALUE

The Group's net asset value per Ordinary Share of 96.23 pence (31 March 2019: 112.21 pence, 30 September 2019: 108.72 pence) is based on equity shareholders' funds of £203,364,000 (31 March 2019: £237,131,000, 30 September 2019: £229,760,000) and on 211,333,737 (31 March 2019: 211,333,737, 30 September 2019: 211,333,737) Ordinary Shares, being the number of shares in issue at the period end.

The net asset value calculated under IFRS is the same as the EPRA net asset value as at 31 March 2020 and for both comparative periods.

9. INVESTMENT IN SUBSIDIARIES

The Group's results consolidate those of EPIC (No.1) Limited, a wholly owned subsidiary of Ediston Property Investment Company plc, incorporated in England & Wales on 27 June 2014 (Company Number: 09106328) and EPIC (No.2) Limited, a wholly owned subsidiary of Ediston Property Investment Company plc, incorporated in England & Wales on 23 September 2017 (Company Number: 10978359). The subsidiaries hold all the investment properties owned by the Group and are also the parties which hold the Group's borrowings (see Note 6).

10. RELATED PARTY TRANSACTIONS

The Company has four non-executive Directors. The Directors are considered to be related parties. No Director has an interest in any transactions which are, or were, unusual in their nature or significant to the nature of the Group. There are no other key management personnel, as the Group has no employees.

The Directors of the Group receive fees for their services. Total fees for the six months ended 31 March 2020 were £88,500 (six months ended 31 March 2019: £87,000, year ended 30 September 2019: £175,500) of which £nil (31 March 2019: £nil, 30 September 2019: £nil) remained payable at the period end.

Ediston Investment Services Limited has received £999,000 in relation to the six months ended 31 March 2020 (six months ended 31 March 2019: £1,134,000, year ended 30 September 2019: £2,239,000) of which £481,000 (31 March 2019: £562,000, 30 September 2019: £nil) remained payable at the period end. Ediston Properties Limited received development management fees of £nil in relation to the six months ended 31 March 2020 (six months ended 31 March 2019: £nil, year ended 30 September 2019: £92,000) of which £nil (31 March 2019: £nil, 30 September 2019: £nil) remained payable at the period end.

Daniel O'Neill, Chief Executive Officer of Ediston Properties Limited, the Company's Investment Manager, purchased 500,000 Ordinary Shares of the Company at £0.87 per share, on 10 February 2020. This brings his holding in the Company to 858,448 shares in total.

11. COMMITMENTS

The Group had contractual commitments totalling £1,500,000 in relation to capital works at Coatbridge Pods, and JD Gyms fit out at Widnes, as at 31 March 2020 (31 March 2019: £956,000, 30 September 2019: £nil). The Group did not have any other contractual commitments to refurbish, construct or develop any investment property, or for repair, maintenance or enhancements, as at 31 March 2020.

12. FAIR VALUE MEASUREMENTS

The fair value measurements for assets and liabilities are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. These different levels have been defined as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 – inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the asset or liability. Value is the Directors' best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and on assumptions as to what inputs other market participants would apply in pricing the same or similar instrument. All investment properties are included in Level 3.

There were no transfers between levels of the fair value hierarchy during the six months ended 31 March 2020.

13. INTERIM REPORT STATEMENT

The Company's auditor, Grant Thornton UK LLP, has not audited or reviewed the Interim Report to 31 March 2020 pursuant to the Auditing Practices Board guidance on 'Review of Interim Financial Information'. These are not full statutory accounts in terms of Section 434 of the Companies Act 2006 and are unaudited. Statutory accounts for the year ended 30 September 2019, which received an unqualified audit report and which did not contain a statement under Section 498 of the Companies Act 2006, have been lodged with the Registrar of Companies. No full statutory accounts in respect of any period after 30 September 2019 have been reported on by the Company's auditor or delivered to the Registrar of Companies.

Shareholder Information

CORPORATE SUMMARY

Ediston Property Investment Company plc (the Company) is a closed-ended property investment company which began trading in October 2014. The Company has a single class of Ordinary Shares in issue, which are listed on the premium segment of the Official List and traded on the London Stock Exchange's Main Market. The Company has two wholly owned subsidiary undertakings, EPIC (No.1) Limited and EPIC (No.2) Limited (the Subsidiaries). The Company and the Subsidiaries are referred to collectively throughout this document as 'the Group', although references to the Company may also encompass matters relevant to the Subsidiaries.

The Group has entered the Real Estate Investment Trust (REIT) regime for the purposes of UK taxation. Further information for shareholders on the tax structure and UK taxation of the Group's distributions is provided in the Annual Report for the year ended 30 September 2019.

INVESTMENT OBJECTIVE

The Company's investment objective is to provide shareholders with an attractive level of income together with the prospect of income and capital growth.

INVESTMENT POLICY

The Company's full investment policy is contained in the Directors' Report in the Annual Report and Accounts for the year ended 30 September 2019.

ALTERNATIVE INVESTMENT FUND MANAGER (AIFM)

Ediston Investment Services Limited has been appointed by the Company to be its Alternative Investment Fund Manager (AIFM) under which it is responsible for overall portfolio management and compliance with the Company's investment policy, ensuring compliance with the requirements of the AIFMD that apply to the Company, and undertaking all risk management. Ediston Investment Services Limited has delegated the day-to-day management of the Company to Ediston Properties Limited. Ediston Properties Limited advises the Company on the acquisition of its investment portfolio and on the development, management and disposal of UK commercial assets in its portfolio.

DISTRIBUTIONS

Distributions to shareholders are likely to consist of a mixture of Property Income Distributions (PID) and Non-PID Dividends as calculated in accordance with specific attribution rules. The Company provides shareholders with a certificate setting out how much, if any, of their dividends is a PID and how much is a Non-PID dividend. A breakdown of the dividends paid to date in relation to the year ended 30 September 2019 and year ending 30 September 2020 is set out below:

Distribution	Ex-dividend date	Payment date	PID (per share)	Non-PID (per share)	Total
<i>In relation to the year ended 30 September 2019</i>					
First interim dividend	08/11/18	30/11/18	0.4792p	–	0.4792p
Second interim dividend	13/12/18	31/12/18	0.4792p	–	0.4792p
Third interim dividend	17/01/19	31/01/19	0.4792p	–	0.4792p
Fourth interim dividend	07/02/19	28/02/19	0.4792p	–	0.4792p
Fifth interim dividend	07/03/19	29/03/19	0.4792p	–	0.4792p
Sixth interim dividend	11/04/19	30/04/19	0.4792p	–	0.4792p
Seventh interim dividend	09/05/19	31/05/19	0.4792p	–	0.4792p
Eighth interim dividend	13/06/19	28/06/19	0.4792p	–	0.4792p
Ninth interim dividend	18/07/19	31/07/19	0.4792p	–	0.4792p
Tenth interim dividend	08/08/19	30/08/19	0.4792p	–	0.4792p
Eleventh interim dividend	12/09/19	30/09/19	0.4792p	–	0.4792p
Twelfth interim dividend	17/10/19	31/10/19	0.4792p	–	0.4792p
Total			5.7504p	–	5.7504p
<i>In relation to the year ending 30 September 2020</i>					
First interim dividend	07/11/19	29/11/19	0.4792p	–	0.4792p
Second interim dividend	12/12/19	31/12/19	0.4792p	–	0.4792p
Third interim dividend	16/01/20	31/01/20	0.4792p	–	0.4792p
Fourth interim dividend	13/02/20	28/02/20	0.4792p	–	0.4792p
Fifth interim dividend	12/03/20	31/03/20	0.4792p	–	0.4792p
Sixth interim dividend	16/04/20	30/04/20	0.4792p	–	0.4792p
Seventh interim dividend	14/05/20	29/05/20	0.3333p	–	0.3333p

INVESTOR RELATIONS

Information on Ediston Property Investment Company plc, including the latest share price: www.ediston-reit.com

REGISTRAR

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

T: 0370 707 1079

E: www.investorcentre.co.uk/contactus

Enquiries about the following administrative matters should be addressed to the Company's registrar:

- Change of address notification.
- Lost share certificates.
- Dividend payment enquiries.
- Dividend mandate instructions. Shareholders may have their dividends paid directly into their bank or building society accounts by completing a dividend mandate form. Tax vouchers, where applicable, are sent directly to shareholders' registered addresses.
- Amalgamation of shareholdings. Shareholders who receive more than one copy of the Annual/Interim Report are invited to amalgamate their accounts on the share register.

Shareholders can view and manage their shareholdings online at www.investorcentre.co.uk, including updating address records, making dividend payment enquiries, updating dividend mandates and viewing the latest share price. Shareholders will need their Shareholder Reference Number (SRN), which can be found on their share certificate or a recent dividend tax voucher, to access this site. Once signed up to Investor Centre, an activation code will be sent to the shareholder's registered address to enable the shareholder to manage their holding.

ANTICIPATED FINANCIAL CALENDAR 2020/21

May 2020	Publication of Half Yearly Report for the six months to 31 March 2020
July 2020	Announcement of Net Asset Value as at 30 June 2020
October 2020	Announcement of Net Asset Value as at 30 September 2020
December 2020	Publication of Annual Report for the year to 30 September 2020
January 2021	Announcement of Net Asset Value as at 31 December 2020
February 2021	Annual General Meeting

The Board will consider the calendar at each meeting and amend as appropriate.

Glossary and Alternative Performance Measures

The Company uses Alternative Performance Measures (APMs). APMs do not have a standard meaning prescribed by accounting standards and therefore may not be comparable to similar measures presented by other entities. The APMs used by the Company are included below. A full glossary was included in the Annual Report 2019 to assist investors in their understanding of the other technical terms that the Company may use in reporting its results.

Contracted Rent	The annualised rent adjusting for the inclusion of rent subject to rent-free periods and rental guarantees.
Covenant Strength	This refers to the quality of a tenant's financial status and its ability to perform the covenants in the Lease.
COVID-19 Crisis	The health and attendant economic, financial and social crises that emerged earlier in 2020 and are subject to uncertain outcomes but are having significant adverse impacts on financial markets globally, including on commercial property markets.
Discount (or Premium) of Share Price to Net Asset Value	If the share price is less than the Net Asset Value per share, the shares are trading at a discount. If the share price is greater than the Net Asset Value per share, the shares are trading at a premium. The discount (or premium) is calculated by reporting the difference between the Net Asset Value per share and the Share Price as a percentage of the Net Asset Value per share.
Dividend Cover	Revenue profit for the period, excluding exceptional items, divided by dividends paid during the period.
Dividend Yield	Calculated using the annual dividend as a percentage of the share price at the period end.
EPRA NAV	NAV adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model. Makes adjustments to the IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy. At 31 March 2020, 30 September 2019 and 31 March 2019, the EPRA NAV was the same as the IFRS NAV.
EPRA Net Asset Value (NAV) per Share	EPRA NAV at the period end divided by the number of Ordinary Shares in issue at that date.
EPRA Vacancy Rate	Estimated Market Rental Value (ERV) of vacant space expressed as a percentage of the ERV of the whole portfolio. The vacancy rate excludes those properties which are under development or major refurbishment.
Gearing	Unlike open-ended investment companies, Closed-end Investment Companies have the ability to borrow to invest. This term is used to describe the level of borrowings that an Investment Company has undertaken. The higher the level of borrowings, the higher the gearing ratio. This is expressed as a percentage of the principal value of borrowings against total assets.
Increase/Decrease in NAV	The movement in NAV in the period, shown in total and as a movement per share. Expressed in whole numbers and as a percentage.
Like-for-like Movement	The like-for-like increase (or decrease) in the property portfolio is calculated as the movement in the fair value of the property portfolio excluding any properties bought or sold in the period.
Loan to Value (LTV)	Debt outstanding and drawn at the period end, net of any cash held in the Lender deposit account, expressed as a percentage of the market value of all property assets.
NAV per Ordinary Share (or IFRS NAV)	This is calculated as the net assets of the Group calculated under its accounting policies as set out on pages 59 to 63 of the Annual Report 2019 divided by the number of shares in issue, excluding those shares held in treasury. This is the number disclosed at the foot of the Consolidated Statement of Financial Position on page 8. At 31 March 2020 and 30 September 2019, the IFRS NAV was the same as the EPRA NAV.
NAV Total Return	The growth in NAV plus dividends reinvested, and this can be expressed as a percentage of NAV per share at the start of the period.
Share Price Total Return	The percentage change in the Share Price assuming dividends are reinvested to purchase additional Ordinary Shares at the prevailing share price.
WAULT (Weighted Average Unexpired Lease Term)	The average lease term remaining to first break, or expiry, across the portfolio weighted by contracted rental income (including rent-frees). The calculation excludes properties allocated as developments.

* Capitalised terms above are as defined in the glossary included in the Annual Report 2019.

HOW TO INVEST

Shares in Ediston Property Investment Company plc are listed on the main market of the London Stock Exchange (LSE: EPIC).

As with any publicly quoted company, the shares can be bought and sold on the stock market. This can be done directly through a platform provider or through a wealth manager, financial adviser or stockbroker.

Another option is to use one of the platform providers who offer an 'execution only' service. Links to such providers are available on the Company's website at www.ediston-reit.com. Potential investors should note that by clicking on any of the links contained thereon, you will leave the Company's website and go to an external website. The Company is not responsible for the content or accuracy of these external websites.

KEY INFORMATION DOCUMENT

Investors should be aware that the Packaged Retail and Insurance-based Investment Products Regulation (PRIIPs) Regulation requires the AIFM, as the PRIIP manufacturer, to prepare a key information document (KID) in respect of the Company. This KID must be made available by the Investment Manager to retail investors prior to them making any investment decision and is available on the Company's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by the law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

IMPORTANT INFORMATION

Past performance is not necessarily a guide to future performance. The value of investments and income from them may go down as well as up and are not guaranteed. NAV performance is not linked to share price performance and shareholders may realise returns that are lower or higher in performance.

Certain statements in this report are forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. Forward-looking statements regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. Accordingly, undue reliance should not be placed on forward-looking statements.

WARNING TO SHAREHOLDERS – BEWARE OF SHARE FRAUD

We note over recent months an increase in the number of increasingly sophisticated but fraudulent financial scams. This is often by a 'phone call or email which can originate from outside the UK. Shareholders may receive unsolicited phone calls or correspondence concerning investment matters that imply a connection to the Company. These are typically from overseas 'brokers' who target UK shareholders offering to sell them what often turn out to be worthless or high risk shares.

Shareholders may also be advised that there is 'an imminent offer for the Company', and the caller may offer to buy shares at significantly above the market price if an administration fee is paid. This is known as 'boiler room fraud'.

If you are contacted, we recommend that you do not respond with any personal information, including access to financial information or bank accounts. If you are in any doubt you should seek financial advice before taking any action.

You can find more information about investment scams at the Financial Conduct Authority (FCA) website: www.fca.org.uk/consumer/protect-yourself-scams. You can also call the FCA Consumer Helpline on 0800 111 6768.

CORPORATE INFORMATION

DIRECTORS

Mr William Hill (Chairman)
Mr Robin Archibald
Mr Jamie Skinner
Ms Imogen Moss – Appointed 01 April 2020
Mr Robert Dick – Retired 31 March 2020

REGISTERED OFFICE

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London EC3M 7AF

REGISTERED NUMBER

09090446
Registered in England and Wales

AIFM

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INVESTMENT MANAGER

Ediston Properties Limited
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ADMINISTRATOR AND COMPANY SECRETARY (FROM 29 JANUARY 2020)

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